

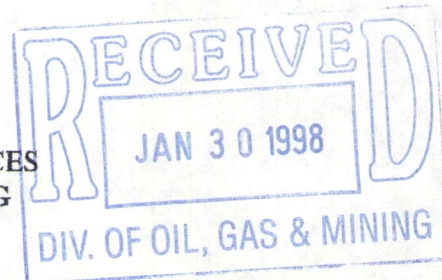
STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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Salt Lake City, Utah 84114-5801

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ANNUAL REPORT OF MINING OPERATIONS

The informational requirements of this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, Utah Code Annotated 1953, as amended, and the General Rules as promulgated under the Utah Minerals Regulatory Program. An operator conducting mining operations under a Notice of Intention must file an annual operations and progress report (FORM MR-AR) with the Division.

I. General Information

1. Report Time Period: From (mo./yr.) 01/97 To (mo./yr.) 12/97
2. DOGM File Number (Mine No): S 10271056
3. Mine Name: SPLIT ROCK/KENTS PROPHECY
4. Mineral(s) Mined (or permitted to mine): PRECIOUS METALS & SHEERITE
5. Type of mine ☒ Surface Mine or ☐ Underground Mine
6. Legal Description (Location of Lands Affected):
SE 1/4, NE 1/4, 1/4, Section 11, Township 19S, Range 14W
SW 1/4, NW 1/4, 1/4, Section 12, Township 19S, Range 14W
1/4, 1/4, 1/4, Section, Township, Range
7. Name of Operator or Company: NIELSON MINING
8. Permanent Street Address: 3900 S. REDWING ST
City, State, Zip: WEST VALLEY, UTAH 84119
Phone: 801-969-1863, FAX 801-963-0607, CELL 599-6773
9. Company Representative (or designated operator):
Name: MARION K. NIELSON
Title: PRESIDENT
Business Address: 3900 S. REDWING ST.
City, State, Zip: WEST VALLEY, UTAH 84119
Phone: 801-969-1863, FAX 801-963-0607, CELL 599-6773
☐ Please check if any of the above information has changed since previous year.

II. Mining and Reclamation

1. Was the mine active during the past year? Yes ☒ No ☐
2. If active, how much ore or mineral was mined? Approx 1,000 lbs UNPROCESSED CONCENTRATE
3. If inactive, what year was the mine last active? _____

3. How much **additional acreage** was disturbed during the past year? Approx 1/2 Acre
4. Briefly describe any new or additional surface disturbances that occurred during the past year. This description should include the type of work performed, and volume of material moved.

CONTINUED PREVIOUS EXCAVATIONS FOR PROCESSING (APPROX 300 yds)
TWO RESERVOIRS WERE FASHIONED. ONE APPROX 30' X 40' X 8',
THE SECOND 20' X 30' X 6'.

5. How much acreage was **reclaimed** during the past year? Approx 1/4 Acre
6. Briefly describe the reclamation work performed during the past year. This description should include methods employed, and an evaluation of the results.
OTHER THAN THE ONGOING EXCAVATION ALL PREVIOUS DIGGINGS
AND EXPLORATIONS WERE RECLAIMED USING A BACKHOE/LOADER.
THE RESULTS ARE MORE THAN ADEQUATE.
7. What is the **total disturbed acreage** at years end? Approx 1 Acre Total. We are
BONDED FOR 2 ACRES.
8. Briefly summarize any mining and/or reclamation plans for the upcoming year.
FURTHER MINING IN PREVIOUSLY DISTURBED AREA.
LEVELING & CONTOURING IS ACCOMPLISHED AS MUCH AS
POSSIBLE DURING THE UNDERTAKING.

NOTE: Section III., "Additional Information" applies only to **large mining operations**.

III. Additional Information

1. An updated surface facilities map should be attached if there have been significant changes since the previous map was submitted.
2. Any monitoring results or other reports that are required under the terms of the approved notice of intention should also be attached.

IV. Signature Requirement

I hereby certify that the foregoing is true and correct.

Name (Typed or Print): MARION K. NIELSON

Title of Operator: PRESIDENT

Signature of Operator: Marion K. Nielson

Date: 28 JAN 1998